

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1558
ANSWERED ON:09.03.2007
LORD KRISHNA BANK
Karunakaran Shri P.;Satheedevi Smt. P.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to merge Lord Krishna Bank and Centurion Bank of Punjab;
- (b) if so, the reasons therefor;
- (c) whether the Government is aware that certain employees of Lord Krishna Bank have committed suicide on the fear of job losses and harassment by the Bank management as a result of the proposed merger move;
- (d) if so, the details thereof; and
- (e) the action taken by the Government to prevent further eventualities?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIPAWAN KUMAR BANSAL)

(a) & (h) The Lord Krishna Bank Ltd. (LKBL), and Centurion Bank of Punjab Ltd. (CBOPL) submitted to Reserve Bank of India (RBI) a proposal, approved by the respective Boards of Directors and shareholders of these banks, for voluntary merger in terms of the provisions of Section 44A of the Banking Regulation Act, 1949. RBI has kept its decision in abeyance pending a judgement by the High Court of Kerala in a case filed by a shareholder of LKBL challenging, inter-alia, the proceedings of the Annual General Meeting of the bank which approved the draft scheme of amalgamation.

(c) to (e): Though, the United Forum of Lord Krishna Bank Employees Unions has reported one such instance where an employee of LKBL has reportedly committed suicide, the cause of the death has not been ascertained so far.